

# DRIVEN BY OUR PURPOSE

We are resolute in transforming Africa, while creating sustainable value for all our stakeholders.



## Our people and culture

Our people lie at the heart of everything we do, so attracting and retaining talented people is an important success factor. Our staff health, safety and wellbeing is important to us and we are committed to providing a culture that embraces respect, teamwork, empowerment, inclusion, and learning which enables employees to fulfil their career aspirations and goals.



Read more about our people and culture  
**pages 20 to 21.**



## Stakeholder engagement

To deliver responsibly for the benefit of all stakeholders, we must understand what matters to our stakeholders. By listening to our stakeholders needs we manage risks, opportunities and set a clear direction to deliver long-term shared value. For this reason, we conduct materiality assessment surveys for our employees, investors, customers and host communities.



Read more about our stakeholder engagement  
**pages 18 to 19.**

## The Dangote Way

The 7 Dangote Sustainability Pillars, collectively reflect the ethos behind "The Dangote Way". The sustainability segment is organised into three sections of Environmental, Social and Governance (ESG), which is linked to our 7 Dangote Sustainability Pillars.



Read more about The Dangote Way  
**pages 34 to 77.**



# RESILIENCE AND GROWTH

Resilient performance amidst a tough macroeconomic environment.

Group revenue up 17.0% to ₦1,618.3bn, Nigeria revenue up 21.3%.

Record Group EBITDA of ₦708.2bn, despite heightened inflation.

Robust profit after tax of ₦382.3bn, with EPS at ₦22.27.

Successful issuance of ₦116bn Series 2 Bond, the largest local corporate bond issuance at the time.

Successfully completed tranche II of the share buyback programme on 20 January 2022.



## Financial highlights

Revenue

**₦1,618.3bn** +17.0%

2022	₦1,618.3bn
2021	₦1,383.6bn
2020	₦1,034.2bn

Cash flow from operations  
(before tax and working capital changes)

**₦686.2bn** +0.5%

2022	₦686.2bn
2021	682.9bn
2020	483.5bn

EBITDA

**₦708.2bn** +3.5%

2022	₦708.2bn
2021	₦684.6bn
2020	₦478.1bn

Profit after tax

**₦382.3bn** +4.9%

2022	₦382.3bn
2021	₦364.4bn
2020	₦276.1bn

Net debt/EBITDA

**0.60x**

2022	0.6x
2021	0.33x
2020	0.71x

Total dividends per share

**₦20.00**

2022	₦20.00
2021	₦20.00
2020	₦16.00



**The health and safety of all staff in our offices, at our plants and on the road is of utmost importance to us.”**

**Ebere Okonkwo**  
Group Head, HSE Transport

**Operational highlights**



**Environmental**

- Commissioned our power plant at Okpella.
- Commissioned the alternative fuel feed systems at Obajana lines I and V; and Ibese line II.
- Launched the DangCircular initiative to promote the recycling of paper and plastic in the workplace.



**Social**

- 237 millionaires and multi-millionaires emerged from the National Consumer Promo “Bag of Goodies 3”.
- Launched Short-Term Incentive (STI) and DCP’s employee recognition programme.
- ₦1,648 million spent on 71 social intervention activities across the Group.



**Governance**

- Initiated “Build Momentum” – Dangote Cement’s first ever performance plan across the Group.
- AGM held in June, where shareholders approved a dividend of ₦20.00 per share.
- EGM held in December, where shareholders authorised the Company to undertake a share buyback of up to 10% of its issued shares outstanding.

**Sustainability highlights**



**Rating upgraded to “B”**

Achieved another CDP ratings upgrade from B- to a B. Dangote Cement has received two consecutive rating upgrades over the past two years.



**157,000 tonnes of waste**

Over 157,000 tonnes of waste co-processed, representing a 76% increase from 2021.

Thermal substitution rate averaged 7.5% in December.



**Launched DCP crèche**

Launch of DCP crèche to support workplace childcare.



**15% female in senior management vs 9% in 2021**

Energy consumption <b>795 Kcal/kg</b> 2021: 797 Kcal/kg	CO <sub>2</sub> emission <b>590kg CO<sub>2</sub>/tonne</b> 2021: 606kg CO <sub>2</sub> /tonne	Water consumption <b>234 litres/tonne</b> 2021: 271 litres/tonne
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# AFRICA'S LARGEST AND LEADING CEMENT PRODUCER

Dangote Cement has production capacity of 51.6 million tonnes per year across ten countries in Sub-Saharan Africa. We have integrated factories in seven countries, a clinker grinding plant in Cameroon, and import and distribution facilities in Ghana and Sierra Leone.



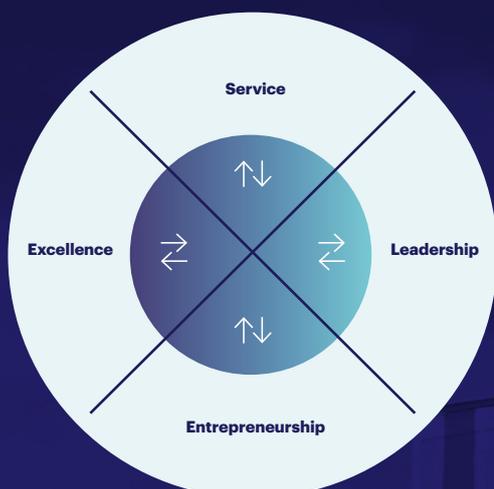
## Our vision

To be a global leader in cement production, respected for the quality of our products and services and for the way we conduct our business.

## Our mission

To deliver strong returns to our shareholders by selling high-quality products at affordable prices, backed by excellent customer service.

## Our values



## Transforming Africa

Based in Nigeria, we operate in many of Sub-Saharan Africa's key cement markets and through regional integration help the continent to become self-sufficient in this basic commodity. We look for markets that have ample limestone, thriving economies, growing populations and a pressing need for housing and infrastructure.

**51.6Mt**  
capacity

Operations in  
**10 countries**

Exports to  
**8 countries**  
in Africa

Cement exported  
**1.58Mt**





**We aim to increase market share through higher cement production, backed by excellent logistics, competitive marketing and superior customer service.”**

**Rabiu Umar**  
Group Sales and Marketing Director



## Our products

At Dangote Cement, we are committed to producing cement of dependable quality. When you buy our product, you are not just buying cement; you are also buying a promise of strength. We believe in continuous improvement in product quality and innovation. Our research and technology initiatives support our plant operations across the production value chain and make our production process robust, efficient and continuously competitive.

We will continue to drive product innovation to meet the needs of our customers across the ten markets in which we operate.



## Our services

The quality of innovativeness that goes into our production, and the value that our products create for customers and users are some of the reasons we enjoy strong market share, and are the clear market leader.



## Our people

Our people are the backbone and driving force behind our success. Their professionalism, resilience, loyalty, commitment to our purpose and ability to innovate keeps our wheels oiled year on year. Their hard work and customer centricity drive our continued growth and excellence.

# REASONS TO INVEST IN DANGOTE CEMENT

Leading cement producer in diverse African markets with excellent growth prospects.

A unique investment opportunity offering exposure to Sub-Saharan Africa's growth potential.

## Strong growth in Africa

The World Bank describes Africa as the fastest growing and youngest region globally. As the population continues to expand, Africa urgently needs infrastructure, housing and commercial buildings. This creates a tremendous opportunity for Dangote Cement.

The goal of sustainably providing access to adequate, safe, and affordable housing caters for the population that will move to urban areas by 2050. This is Dangote Cement's contribution to UN SDG 11

## Inclusive sustainability framework

Our approach to sustainability is structured around 7 pillars dubbed the "Dangote Way". These pillars align with the United Nations Sustainable Development Goals (SDGs) and provide the framework in which we have embedded our corporate culture, as well as guide our approach to building a prosperous and sustainable business.

The Dangote sustainability pillars aligns with global sustainability standards and protocols for business. Dangote Cement also adopts the industry sustainability reporting standards of the Global Cement and Concrete Association (GCCA)

## Financial investment case, solid fundamentals

Dangote Cement has achieved excellent financial performance and growth over the last decade. Our volumes have grown by a compound annual rate of 11% over the last 12 years, while our EBITDA has increased by a compound annual growth rate of 16% over the same period. We have also created additional value for our shareholders through share price appreciation, consistent dividend payment and shares repurchase. In 2022, we achieved another record revenue and EBITDA with PAT at ₦382.3bn.

## Robust export strategy

We are focused on harnessing trade across the African continent, by building a market where West and Central African region become self-sufficient in cement and clinker production. This we have done by shipping cement and clinker from Nigeria and Pan-Africa, where there is comparative advantage in limestone, to other parts of Africa. We are confident that the African Continental Free Trade Area (AfCFTA), which hopes to unlock a \$3.4 trillion market with a population of about 1.3 billion people, will give Dangote Cement the opportunity to serve African markets effectively. Replicating to other regions, the huge success recorded in transforming Nigeria into a self-sufficient cement and clinker market.

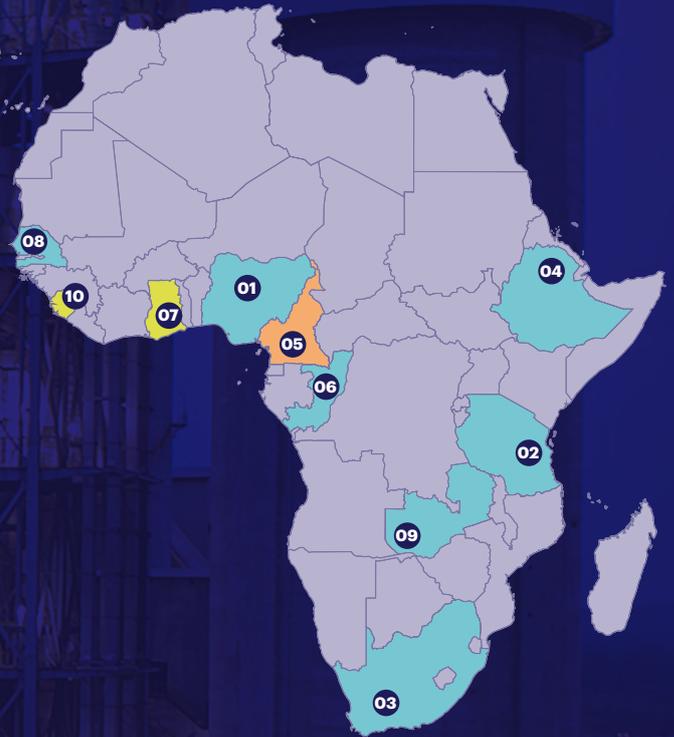
## Strong organic growth

We have consistently increased output and sales across the African region by efficiently utilising our existing assets, resources and strategies at our disposal. At the moment, our focus is on a less capital-intensive expansion cycle, which includes building grinding plants across West and Central Africa to leverage and strengthen regional integration.



# A GLOBAL LEADER, PROUDLY AFRICAN

A diverse business model, with a unique footprint across ten African countries



### Diversified business model

Dangote Cement is Africa's largest cement producer, with a presence across ten African countries, meeting the demand of millions of customers on the continent. The diversity of our operations in key markets act as a hedge, while positioning the business to tap into the numerous opportunities in Africa.

Over the last two decades, Dangote Cement has evolved its operations ensuring relevance with the changing market dynamics, customer demand and advancing technologies. Our years of proven track record in quality cement production, positions us as the bellwether in the cement sector in Africa.

#### 01 Nigeria

Estimated market share

**c.60**

Capacity  
**35.3Mta**

#### 02 Tanzania

Estimated market share

**23%**

Capacity  
**3.0Mta**

#### 03 South Africa

Capacity  
**2.8Mta**

#### 04 Ethiopia

Estimated market share

**42%**

Capacity  
**2.5Mta**

#### 05 Cameroon

Estimated market share

**32%**

Capacity  
**1.5Mta**

#### 06 Congo

Estimated market share

**62%**

Capacity  
**1.5Mta**

#### 07 Ghana

Estimated market share

**5%**

Capacity  
**1.5Mta**

#### 08 Senegal

Estimated market share

**12%**

Capacity  
**1.5Mta**

#### 09 Zambia

Estimated market share

**30%**

Capacity  
**1.5Mta**

#### 10 Sierra Leone

Estimated market share

**15%**

Capacity  
**0.5Mta**

#### Types of operations

- Integrated
- Import
- Clinker grinding

# CREATING LONG-TERM VALUE DESPITE MACROECONOMIC CHALLENGES

Africa remains the fastest growing region with huge infrastructural deficit, creating tremendous opportunities for Dangote Cement.

Despite the elevated inflation and slowdown in global growth in 2022, Dangote Cement achieved a record EBITDA and robust PAT. The Company proactively implemented a robust cost reduction strategy and a performance improvement plan across the Group.

Group volume

**27.8Mt**

Cement exported

**1.58Mt**

Countries exported to

**8**

Revenue

**₦1,618.3bn**

Profit after tax

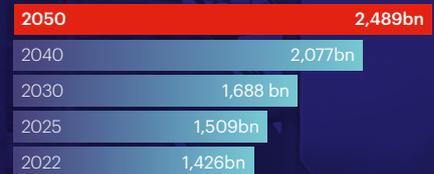
**₦382.3bn**

Africa's infrastructure needs amount to

**\$130–170bn a year**

African population 2050

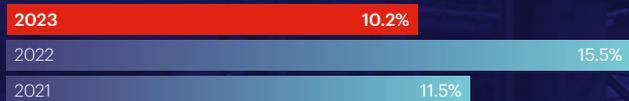
**2.5bn**



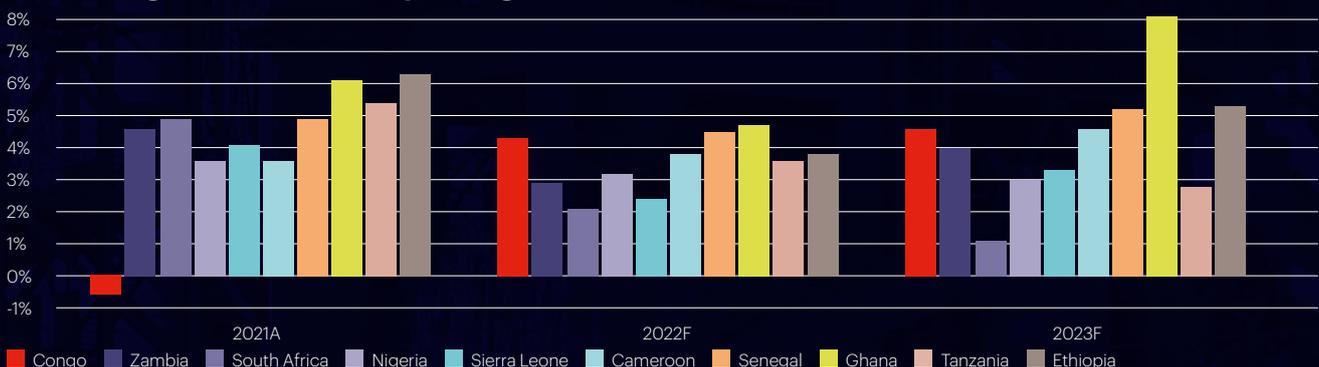
## SSA GDP growth



## SSA Inflation growth



## 2022 GDP growth across our operating environment







### The Dangote customer

The Dangote Cement market is Africa, this includes the ten countries where we currently operate, eight countries we export products to and other untapped markets in the continent. The Dangote customer is Africa.

At Dangote, we are aggressively ramping up production and repositioning our business in the various countries and regions where we operate to take advantage of the opportunities that Africa presents. In 2022, we ramped up production in our Okpella plant and advanced our export strategy; we are now in the process of completing grinding plants in Ghana and Côte d'Ivoire. This expansion drive will enable Dangote Cement capture all of Africa's opportunities.

### Economic outlook

Sub-Saharan Africa's economy witnessed slower growth in 2022 at 3.8% from 4.7% in 2021. This was due to a worldwide slowdown that affected a region yet to heal from an ongoing series of shocks. According to the IMF, the major global developments that reshaped sub-Saharan Africa's outlook are: the slowdown in advanced economies and emerging markets, tightening global financial conditions, and volatile commodity prices.

2022 emerged with new headwinds. The geopolitical tensions arising from the Russian-Ukraine crisis, the resurgence of COVID-19 in China, and shifts in monetary policy in advanced economies, all led to a volatile global environment and a dramatic pickup in global inflation. The invasion of Ukraine, described by the International Monetary Fund (IMF) as the biggest setback to global growth in the year, came with its attendant effect. This led to the disruption of global supply chains and rise in commodity prices. Sub-Saharan economies fell into yet another ill-prepared crisis.

Cement companies battled with high operating cost, mainly driven by the haulage and freight cost on the back of the global supply disruptions. Prices of coal, diesel, gas and pet coke rose to sky-high levels, this coupled with foreign exchange fluctuation and exerted pressure on operating cost affected volume growth and margins.

Most African central banks, like their counterparts in other regions, were faced with the daunting task of adopting strict monetary tightening measures to reign in on accelerating inflation, even at the expense of economic growth.

For instance, Africa's largest economy, Nigeria, which accounts for about 17% of Africa's GDP size, raised its benchmark lending rate four times to 16.5%, in a move to intensify the fight against inflation, which had risen over 21.3% by year end, well above the Central Bank's band of 6-9%. On the other hand, Ghana's monetary policy rate was moved to 27% after inflation rose to 54.1%, whilst benchmark interest rate in South Africa rose to 7.0% with inflation at 7.2%.

In addition, the challenges of gas supply in Nigeria, currency weakening and extended plant maintenance and repairs in some African countries affected our operations.

Notwithstanding, Dangote Cement Plc delivered strong revenue growth of 17.0% while streamlining our core focus into optimising the efficiency of our existing assets, increasing output and containing cost.

### How we navigated the tough terrain

Faced with a high inflationary environment and weaker demand, Dangote Cement Plc deployed new and innovative business strategies that helped to drive up revenues, contain costs and protect margins.

With the significant rise in diesel and gas prices, we opted for the aggressive use of cheaper Alternative Fuels (AF) in the production of cement, through the co-processing of wastes such as: agro wastes, waste lubricants, tyre derived fuels, sawdust, and packaging materials. AF thermal substitution rate averaged at 4.3% compared to 2.6% in 2021. We reached a thermal substitution rate of 7.5% in December. Similarly, more than 157Kt of waste was co-processed in 2022, representing a 76% increase from 2021, while over 100 thousand green jobs were created through the alternative fuel value chain.

To achieve this, Dangote Cement Plc began the installation of AF equipment (Mechanical Multi-Fuel systems) that can process diverse types of wastes in its plants. This fostered our drive towards a lower CO<sub>2</sub> emission, depollution of local communities and sustainable waste management, all of which are in line with our Environment Sustainability and Governance (ESG) goal.

We commissioned a power plant in Okpella and commissioned our alternative fuel feed system at Obajana lines I and V; and Ibese line II.

### Sub-Saharan economic outlook

Despite its multiple challenges, the geopolitical crisis can be viewed as a window of opportunity for African countries to reduce their reliance on imports from external factors, and instead build a resilient system that can meet the needs of the growing population in the coming years.

African countries have infinite access to natural resources, including arable land for agricultural purposes. By successfully harnessing the potential economic opportunities that come with growing domestic consumption and exporting the remaining, African countries could strengthen their position on the international stage. This position aligns with our vision at Dangote Cement.

### Looking ahead...

According to the 2023, Africa's Macroeconomic Outlook report by AFDB, Africa is set to outperform the rest of the world in economic growth over the next two years, with real gross domestic product (GDP) averaging around 4% in 2023 and 2024.

Despite the confluence of multiple shocks such as COVID-19 and Russia's invasion of Ukraine, growth across all five African regions was positive in 2022 – and the outlook for 2023–2024 is projected to be resilient and stable.

Following yet another shock, sub-Saharan Africa's ultimate potential remains undimmed. The region is poised to fulfil the promise of the African century, contributing to a more prosperous, greener future for the region and the world.

